

~~CONFIDENTIAL~~

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## ROMANIA-NORTH VIETNAM

The independent-minded Rumanian regime has throughout the Vietnamese conflict found itself in something of a dilemma--caught between honoring its fraternal obligations to Hanoi, its desire to loosen its ties with Moscow and Eastern Europe, and its hopes of expanding relations with the West. Accordingly, Bucharest has largely given verbal support to North Vietnam and little material assistance, hoping in part to keep the way clear for expanded economic ties with the West, including the United States.

There is ample reason to believe that the Rumanians find the Vietnam situation an impediment to their foreign policy initiatives. Moscow has not hesitated at times to try to use the necessity of supporting Hanoi as justification to reassert a measure of control over its Eastern European allies. The Rumanians have been selectively responsive to these Russian pressures.

Rumania assists North Vietnam under the terms of a trade and aid agreement signed in Bucharest in August 1967. Covering the period 1968-70, the agreement calls for a broad exchange of goods and postpones the repayment to Rumania of credits granted earlier to Hanoi. Under the agreement, North Vietnam has received medicines, light vehicles, repair facilities for vehicles, railroad construction equipment, machinery and refrigeration components, and small amounts of foodstuffs, POL, and consumer goods.

The volume of trade between Bucharest and Hanoi since 1963 has been as follows, according to official Rumanian statistics:

	<i>With NVN</i>	<i>cool</i>
	<u>DRV Imports</u>	<u>DRV Exports</u>
1964	1.4*	2.2
1965	3.4	2.1
1966	9.0	0.2
1967	10.0+ est'd.	0.2 est'd

\*In millions of US dollars

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